



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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For Immediate Release

Tuesday, July 22, 2003

Grassley, Others Seek Movement on Child Tax Credit, Military Tax Bills

WASHINGTON -- Sen. Chuck Grassley, chairman of the Committee on Finance, and his fellow Republican Senate conferees on the child tax credit legislation today sent a letter to House leaders asking for a conference meeting on the legislation. The senators also indicated they were prepared to make an initial offer as a compromise between the Senate and House versions of the legislation.

On June 5, Grassley's bill on family tax relief passed the Senate 94 to 2. Grassley's bill includes an acceleration of the refundability of the child tax credit, a significant benefit for lower income parents; the uniform definition of a child, a major tax simplification measure to make filing easier for just about anyone with a child and to increase child-related benefits for hundreds of thousands more taxpayers; and marriage penalty relief under the child credit.

The Senate's version of the military tax fairness bill, written by Grassley and Sen. Max Baucus, ranking member of the Finance Committee, passed the Senate independently of the family tax relief bill. The House passed its version of the military tax fairness bill with its version of the family tax relief bill. Therefore, Grassley and his colleagues are seeking to initiate a conference discussion on family tax relief and military fairness.

The text of the senators' letter, signed last night and sent this morning, follows.

July 21, 2003

The Honorable Tom DeLay
Majority Leader
U.S. House of Representatives
Washington, D.C. 20515

The Honorable William Thomas
Chairman
House Committee on Ways and Means
1100 Longworth House Office Building

Washington, D.C. 20515

Dear Mr. Leader and Mr. Chairman:

On June 5, 2003, the Senate passed H.R. 1308, the Relief for Working Families Act of 2003, by a vote of 94-2. The Senate then requested a conference with the House of Representatives and appointed conferees. On June 12, the House of Representatives passed an amendment to H.R. 1308 and appointed conferees to resolve the differences between the two versions of the bill. However, to date the conference committee on H.R. 1308 has not met due to the extensive work on prescription drug legislation.

We are hoping to convene a meeting of the conferees to begin working toward a final agreement on this legislation. To facilitate the discussion, we are proposing an initial offer that we believe is a good faith attempt at a compromise between the House and Senate versions of the bill. The main elements of our offer include an acceleration of the refundability of the child credit, an extension of the \$1,000 child credit through 2007, an elimination of the marriage penalty in the child tax credit through 2007, a simplification of the definition of a child for tax purposes, and the Armed Forces Tax Fairness Act. We also believe that we should discuss the issue of including offsets in a final agreement.

We look forward to hearing from you soon to schedule a meeting of the conference committee on H.R. 1308 so that we can resolve this matter in a timely manner. Thank you for your consideration.

Sincerely,

Charles E. Grassley
Chairman

Don Nickles
United States Senator

Trent Lott
United States Senator

cc: The Honorable Max Baucus
The Honorable Charles Rangel
The Honorable Blanche Lincoln